

# FISCAL NOTE

## SB 2156

January 21, 2000

**SUMMARY OF BILL:** Creates the Smoke Free Tennessee Act and establishes a trust fund known as the *Tennessee Tobacco Trust* within the State Treasury. All funds received by the state under the Attorneys General Master Tobacco Settlement Agreement shall be deposited in the Tennessee Tobacco Trust Fund. Trust funds are to be invested in accordance with policy guidelines established by resolution of the Funding Board, within the laws, guidelines and policies that govern investments of the Tennessee Consolidated Retirement System. Payments into the trust fund constitute the principal of the trust and shall not be expended or appropriated for any purpose nor shall any portion of such principal be proposed or recommended by the governor for expenditure in the budget document or appropriations bill or otherwise. Reasonable and necessary expenses of administration of the fund may be paid from interest or income received on the principal of the trust fund. Provides any other expenditure of interest or income from the principal of the trust must be made through specific appropriations in each general appropriations act, as determined by the general assembly and must be made exclusively for the purpose of providing health care for smoking-related illnesses and providing services for smoking and tobacco use prevention. Authorizes the state treasurer to promulgate rules and regulations necessary to perform the state treasurer's responsibilities under this section.

### ESTIMATED FISCAL IMPACT:

#### Increase State Expenditures - Not Significant

**Other Fiscal Impact - Restricts the use of any tobacco settlement funds, estimated to be in excess of \$200,000,000 in calendar year 2000, by establishing a trust fund for all such funds and restricting expenditures to interest earnings only.**

Estimate assumes the Department of Treasury will use existing staff and resources to administer the provisions of this bill.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

**SB 2156**